

## CONSERVATIVE PASSIVE

### INVESTMENT OBJECTIVE

This portfolio aims to generate capital growth combined with a steady income over the longer term but with a significantly lower risk/return profile than that of an equity based investment. The portfolio will invest across a range of asset classes with equity exposure capped at 50%.

### COMMENTARY

- US growth remains firm, but there has been some loss of momentum elsewhere as the extended business cycle matures and policy support fades.
- Geopolitics is becoming a big driver of markets, which is concerning. We remain under the cloud of Trump's tariff tirades which threaten a decade's long process of free trade, globalisation and international cooperation.
- Central bank divergence continues with the US steadily raising rates. The Bank of England managed one rate rise, but that's it for the year. Europe and Japan are still adding support.
- In equity markets, the US led the way with muted returns elsewhere and some positive horror shows in emerging markets. Government bond yields generally rose across the board and commercial property continued its steady year.
- It was a volatile quarter for Sterling; strengthening then weakening back to evens by Quarter end. Gold remains weighed down by a strong \$ whilst oil has been a beneficiary of OPEC production discipline and Trump's forthcoming sanctions on Iranian exports.
- The strength of the US market helped Fidelity Index World perform strongly during the Quarter. Fixed income, in particular conventional & index-linked Gilts fared less well, making iShares Index Linked Gilt Index & iShares UK Gilts All Stocks index the worst performers.
- We made no changes to fund selection or asset allocation during the Quarter.

### PERFORMANCE SUMMARY

	3 Months	6 Months	1 Year	3 Years	Year to Date
Conservative Passive	0.0	4.1	2.9	-	0.5
ARC PCI Sterling Cautious	0.0	1.6	0.9	0.0	-0.5

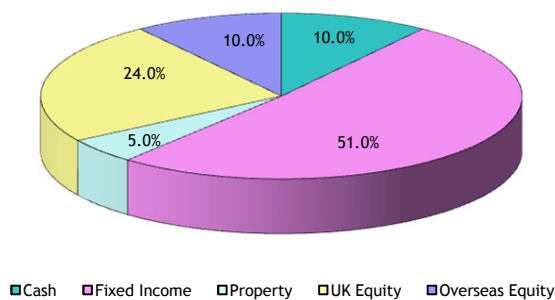
Data provided by Financial Express Analytics. All figures quoted are to 30/09/2018.

Performance numbers are net of 0.8% HFMC Wealth planning & investment advisory fees; not including custody fees or VAT if applicable.

Funds within portfolios are priced on a bid-to-bid basis, with dividends reinvested.

ARC PCI indices are based on the actual returns generated by participating discretionary investment managers for their UK private clients (ARC = Asset Risk Consultants Private Client Indices)

### CURRENT ASSET ALLOCATION



#### Top 5 Holdings

L&G Short Dated Sterling Corporate Bond	16%
iShares Corporate Bond Tracker	14%
iShares UK Equity Tracker	12%
Fidelity Index UK	12%
Cash	10%

### MODEL DETAILS

Inception Date	February 2017
Number of holdings	11
Estimated Yield (not guaranteed)	2.1%

Management of individual Portfolios are based on a central model portfolio. The performance summary, asset allocation, fund holdings, charges and yield quoted on this factsheet are based on the central model portfolio. Actual performance and asset allocation will deviate as a result of timing and market drift. The Conservative Passive Portfolio was launched on 1 February 2017.

Investors should remember that past performance should not be seen as an indication of future performance and that the value of any investment and the income from it is not guaranteed as it can fall as well as rise. You may not get back the amount originally invested. Where an investment involves exposure to currency other than your base currency, changes in rates of exchange may cause the value of the investment to go up or down. The 'commentary' does not constitute advice to undertake a transaction in this particular investment and clients are strongly recommended to seek independent or professional advice prior to doing so.